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## Mohegan Sun inks deal with New York investment firm to pursue Palmer casino project

The owners of Mohegan Sun, defying speculation they were out of the Massachusetts casino sweepstakes, have found a new financial backer and on Monday will apply to the state's gambling commission to build a gambling resort in Palmer, the Connecticut casino's top executive said on Sunday.

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Mohegan Sun has struck a partnership with a \$12 billion New York investment group, Brigade Capital Management, to bankroll the development, Mitchell Etes, chief executive of the Mohegan Tribal Gaming Authority, said in an interview.

The onetime front-runner for the sole Western Massachusetts resort casino license joins a robust field of applicants that includes MGM Resorts, Penn National Gaming, and Hard Rock International.

The revelation that Mohegan Sun has lined up a deep-pocketed investor intensifies the battle for the license, already the most sought-after in the state.

"We really know what the people in this part of the country need and want," said Etes. "We know how to get the most for the Commonwealth of Massachusetts out of this project. We know we're going to succeed."

Mohegan will form a corporate entity to pursue the project, and Brigade will invest in that new entity, said Etes.

"We now add probably the best financial footing to our [other] advantages, and really are excited about this partnership," said Etes. Mohegan Sun plans to submit its state application — and the nonrefundable \$400,000 application fee — first thing Monday morning, he said.

Don Morgan, managing member of Brigade, said in a statement that Mohegan Sun embodies "the proven model of success for gaming in New England."

"This project will be built at the best location for a casino in Massachusetts, by a team with combined experience in multiple licensing jurisdictions, and managed by one of the premier gaming operators in the US," said Morgan. "We are excited to be a partner in this endeavor and to have a role in establishing the Massachusetts casino gaming industry."

Etes declined to reveal Brigade's stake in the \$600 million project.

The project would feature a hotel and spa, a gambling floor, retail stores, restaurants, and other attractions. It would create 1,000 to 1,200 construction jobs and more than 2,500 permanent jobs, according to Mohegan Sun.

The state's 2011 gambling law authorizes up to three resort casinos, each costing at least \$500 million, with no more than one resort in each of three regions of the state. The resorts will pay a 25 percent state tax on gambling revenue.

The state gambling commission is accepting initial applications for resort casino licenses in Western Massachusetts and in Greater Boston, and the deadline is 5 p.m. Tuesday. Commercial casino development in Southeastern Massachusetts is on hold while the Mashpee Wampanoag seek federal approval for a tribal casino in Taunton.

Mohegan Sun, the tribal gambling resort in southeastern Connecticut, was an early entry in the Massachusetts casino

sweepstakes. It planted its flag on a 150-acre site off the Mass. Pike in Palmer years before the state legalized casino gambling in 2011.

But competitors stole the spotlight, unveiling glitzy projects in elaborate public events, while Mohegan was mostly quiet the past year, even in the face of skeptical prodding from Palmer officials who wanted to see progress. Mohegan's quiet pursuit of a financial partner, combined with news stories about layoffs at Mohegan Sun and the tribal gaming authority's efforts to restructure debt, led many within the nascent Massachusetts gambling industry to question whether Mohegan still intended to compete.

"Personally, you hate to hear those kind of things, but we never worried from a business standpoint because we were further along than anybody, we're more invested than anybody, we have great community support, and we knew what was going to happen," said Etess. "Was I disappointed that people didn't have faith in us and maybe people were saying, 'Oh, the project is falling to the back of the pack?' Well, yeah, but as of today that's resolved and the position of Mohegan Sun as a front-runner is reestablished."

The competitors would disagree over which is the front-runner, but Mohegan's project in rural Palmer is different than others in the field.

MGM and Penn National have each proposed urban resorts of \$800 million or more on small footprints in the heart of downtown Springfield. Hard Rock has planned a \$700 million to \$800 million project at the Eastern States Exposition fairgrounds in West Springfield, a site already a regional tourist attraction and a five-minute drive from downtown Springfield.

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